

by the public for such premises, and can furnish (according to his ability and experience) a sound opinion upon their probable selling value, and upon the prospect of that value increasing, declining, or remaining fairly stationary. He should be selected after inquiry by the lender, or, if he cannot do so, by some one in whose knowledge and judgment of men he can trust. The fee for valuation should always be paid beforehand by the borrower. In order to reduce as much as possible this preliminary cost to the borrower (since he will entirely lose the sum if the proposal for loan prove fruitless), it is often arranged that the valuer should charge a higher fee in the event of the advance being completed, and a lower one should the security be declined. This, in my experience, is an unsatisfactory arrangement for obvious reasons; and a fixed fee (which will range between the preceding amounts) should be settled and paid whether negotiations ultimately succeed or fail. Where the property proposed to be mortgaged is situated in a provincial city or town, a *local* valuer should be selected, as being necessarily more cognisant of the market than a valuer in London can be.

5. The valuer should state what he considers to be the annual value from a solvent tenant on a repairing lease; whether the premises are in sound condition: whether they are of such a class and in such a position as to be readily saleable at any time; and the sum which he expects they would be likely to realise both at the present time, or during the continuance of the loan. It is not always advisable for the lender to depend, as an index of value, upon any rental-agreement between the owner of the premises to whom he is proposing to lend and the existing tenant. It is to be hoped that the following incident does not frequently occur, but I remember an instance (the loan was happily rescinded in time), where, by collusion between the owner and tenant (which probably, however, was quite innocent upon the tenant's part), a written agreement for letting expressed the rent at £45 a year, but the owner, by separate arrangement, refunded £10 annually to the tenant: the real rental value was accordingly £35, but the owner

fraudulently represented it on the  
document exhibited to the lender as  
£45.